

CANADA)
PROVINCE OF SASKATCHEWAN)

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF REGINA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
R.S.C. 1985, c.C-36 (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE
CREDITORS OF CIC PULP LTD. in its capacity as a general partner of MEADOW
LAKE PULP LIMITED PARTNERSHIP and MILLAR WESTERN PULP (MEADOW
LAKE) LTD. in its own capacity and as agent and nominee for Meadow Lake Pulp
Limited Partnership

BETWEEN:

CIC PULP LTD., operating as MEADOW LAKE PULP LIMITED PARTNERSHIP
and MILLAR WESTERN PULP (MEADOW LAKE) LTD.

APPLICANTS

- and -

HSBC BANK CANADA, INVESTMENT SASKATCHEWAN INC.
101069101 SASKATCHEWAN INC., GUSCO HANDEL G. HANDEL G. SCHARFELD
& CO., MILLAR WESTERN INVESTMENTS (SASKATCHEWAN) LTD., MILLAR
WESTERN HOLDINGS (MEADOW LAKE) LTD.
and MILLAR WESTERN INDUSTRIES LTD.

RESPONDENTS

ORDER

(Distribution and Discharge of Receiver)

Before the Honourable Mr. Justice D.H. Layh in Chambers the 27th day of March, 2018.

On the application of Michael W. Milani, Q.C. lawyer on behalf of Deloitte Restructuring Inc. and upon hearing read the Seventh Report of the Receiver (the "**Seventh Report**"), the Notice of Application dated February 14, 2018 with proof of service, draft Order, the pleadings and proceedings had and taken herein, and draft Order, all filed.

The Court orders:

A. Service

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

B. Substitution of Receiver

2. Deloitte Restructuring Inc. ("**Deloitte**") is substituted in place of Ernst & Young Inc. ("**EY**") as Receiver (the "**Insolvency Professional**"), effective August 10, 2016.
3. The requirement and responsibility for taxation of EY's accounts in respect of the this matter, from the initial date of appointment of EY (or predecessor of EY) as the Insolvency Professional through to the completion of the administration and discharge of EY, is hereby assigned and transferred to Deloitte.
4. The requirement for taxation of the accounts of EY in respect of this matter is hereby waived.
5. EY be and is hereby discharged as the Insolvency Professional of the Subject Matter without prejudice to the rights of the Superintendent of Bankruptcy or other professional body, to commence or pursue any professional conduct matters relating to this matter, and:
 - (a) without having to certify to this Honourable Court that EY has observed all of the terms as provided by Rule 61(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "*BIA*"); and
 - (b) without having to undertake to keep all estate books, records and documents as provided by Rule 68 of the *BIA*.
6. Deloitte is now required to observe all of the terms provided by Rule 61(2) of the *BIA*, keep all estate books, records and documents as provided by Rule 68 of the *BIA*, obtain from EY all books, estate records, documents including work in progress, billing or time records in support of any claims made for time charges and advances on fees made by EY, and detailed trial balances (electronic or otherwise) showing all the funds received and disbursed since the initial appointment of EY or another party as the Insolvency Professional, notwithstanding Deloitte assuming responsibility as at the date of this Order.

7. The requirement for notification of the discharge of EY as the Insolvency Professional, together with other statutory notices to proven creditors, the bankrupt(s), debtors, the court and the Office of the Superintendent of Bankruptcy, be and is hereby waived.
8. The professional fees and disbursements of the Receiver, as set out in the Seventh Report (including the fees and disbursements necessary to finalize the receivership), are hereby approved without the necessity of a formal passing of its accounts.
9. The professional fees and disbursements of the Receiver's legal counsel, McDougall Gauley LLP, as set out in the Seventh Report (including the fees and disbursements necessary to finalize the receivership), are hereby approved without the necessity of a formal assessment of its accounts.
10. All activities, actions and proposed courses of action of the Receiver (collectively, the "**Actions of the Receiver**") to date in relation to the discharge of its duties and mandate as receiver of the Property pursuant to the Orders of this Honourable Court in these proceedings (the "**Receiver's Mandate**") as such Actions of the Receiver are more particularly described in the Seventh Report of the Receiver shall be and are hereby approved, ratified and confirmed as valid.
11. The Receiver is authorized to maintain a holdback of \$32,000.00 on account of further fees, receipts and disbursements of the Receiver and its legal counsel, and to apply from time to time the amounts so held back against such further fees, receipts and disbursements (without the requirement of taxation or passing of accounts), and the Receiver is directed to distribute any balance once all matters are complete to 101069101 Saskatchewan Ltd.
12. Upon payment of the amounts set out in paragraph 11 of this Order, the Receiver shall be discharged as Receiver of the Property, provided that notwithstanding its discharge herein:
 - (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein and pending resolution of the Environmental Claim, and
 - (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of each entity that acted as receiver, in its capacity as Receiver.

13. It is hereby adjudged and declared that, based upon the evidence that is currently before this Honourable Court in regard to the Actions of the Receiver:
- (a) the Receiver has acted honestly and in good faith, and has dealt with the Property and carried out the Receiver's Mandate in a commercially reasonable manner;
 - (b) the Receiver has satisfied all of its duties and obligations pursuant to the Receiver's Mandate;
 - (c) the Receiver shall not be liable for any act or omission, including, without limitation, any act or omission arising from, relating to or in connection with its discharge of the Receiver's Mandate, save and except for any liability arising out of fraud, gross negligence or wilful misconduct on the part of the Receiver;
 - (d) the Receiver has never had and shall not in the future have any liability in regard to any act or omission of CIC Pulp Ltd. operating as Meadow Lake Limited Partnership and Millar Western Pulp (Meadow Lake) Ltd. (the "**Debtor**"), including, without limitation, in relation to the business of the Debtor, payment of and/or accounting for any taxes (including, without limitation, goods and services tax) on revenues earned or any indebtedness or obligations whatsoever or howsoever incurred by the Debtor; and
 - (e) no person shall commence an action or proceeding asserting a claim against the Receiver arising from, relating to or in connection with its discharge of the Receiver's Mandate without first obtaining an Order of this Honourable Court (on notice to the Receiver) granting such person leave to commence such action or proceeding, and any such action or proceeding commenced without such leave being obtained is a nullity.
14. Subject to the foregoing, any claims against the Receiver in connection with the Receiver's Mandate and any claims against other parties which are directly or indirectly based on alleged acts or omissions of the Receiver or which may give rise to third party claims against the Receiver are hereby stayed, extinguished and forever barred.
15. Notwithstanding the discharge of the Receiver, the Receiver is hereby granted leave to apply to this Court for such further advice, direction or assistance as may be necessary to give effect to the terms of this Order.
16. This Order shall have full force and effect in all Provinces and Territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

17. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
18. Service of this Order on any party not attending this application is hereby dispensed with, but the Receiver shall post a copy of this Order on its website at the following address of: www.insolvencies.deloitte.ca/en-ca/MeadowLake

Issued at Regina, Saskatchewan, this 27th day of March, 2018.



(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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